

Fairfax County Small Business Commission
Small Business News

By: Koorosh Cyrus Sobhani, Chairman
Dranesville District
August 2013 Newsletter

ObamaCare Looms for Small Businesses

A new survey conducted by the United States Chamber of Commerce found that less than one third of small businesses are prepared for the regulatory mandates of the Patient Protection and Affordable Care Act, colloquially referred to as ObamaCare. These figures show that concerns over the regulations have increased since last year. The study found that 30% of businesses were not ready to comply with the new rules, and 25% did not know what the new rules required them to do. The survey was conducted after the Obama administration announced they would postpone the employer mandate for one year.

According to the Chamber's Senior Vice President Robert Engstrom, "excessive regulation is having a crippling effect on job growth among small businesses, as our latest small-business survey makes clear." The survey also found that 24% of small businesses planned to reduce hiring to stay below the 50 employee threshold that would require them to provide insurance or pay a penalty.

House Republicans are hoping to delay both the employer and individual mandate. Speaker of the House John Boehner (R- OH) voiced his opposition to the mandates on the House floor, stating that "it's unfair to protect big businesses without giving the same relief to American families and small businesses."

<http://thehill.com/blogs/regwatch/business/311397-business-fears-mount-over-obamacare-reg-survey-says#ixzz2ZPJ5j4h>

Employment Non-Discrimination Act

The United States Senate Health, Education, Labor & Pensions Committee approved the Employment Non-Discrimination Act (EDNA) on July 10, 2013 by a vote of 15-7, allowing it to proceed to the Senate floor.

If approved by both houses and subsequently signed into law, EDNA "would prohibit employers from discriminating against workers on the basis of sexual orientation or gender identity." The bill would prevent employers with 15 or more employees from making employment decisions, including hiring, firing, compensation, or promotion, based on a person's sexual orientation or gender identity. In an attempt to garner support from congressional Republicans, the bill contains an exemption for religious organizations, which

allows these organizations to make employment decisions that adhere to their faith.

Committee chairman Senator Harkin (D-IA) commented on the evolving attitude towards gay rights in this country, stating, "I think society is there and the things that have happened in the Supreme Court show we're ready to move on in a way we haven't moved on in the past." Currently 17 states have laws that ban employment discrimination based on sexual orientation and gender identity. Virginia is not among those states.

http://www.huffingtonpost.com/2013/07/10/enda-committee-vote_n_3573282.html#slide=1148305

SBA Increases Penalty for Misrepresenting the Size of a Small Business

Last month, the SBA implemented a rule, scheduled to take effect on August 27, which will increase the penalty assessed against small businesses that misclassify or misrepresent themselves when applying for federal government contracts. Originally included as part of the Small Business Jobs Act of 2010, the new rule would allow the government to rely on the size of the contract as the basis for damages. Thus, if a company makes a misrepresentation in an attempt to win a \$5 million contract, the new law will treat that \$5 million as a presumed loss and will allow the government to use the \$5 million contract amount as a basis for damages, regardless of whether the contract was procured or fulfilled.

According to industry insider Albert Krachman, misclassification is a contentious issue in the small business community, as "small businesses that lose business to companies they believe are falsifying their status get very upset."

Previously, Congress and other governmental organizations have taken steps to eliminate the use of "straw men," and to ensure that businesses deserve the special privileged certification they claim. The enactment of this new rule is likely to bring transparency and accountability for small businesses.

<http://www.businessweek.com/articles/2013-07-10/lying-about-the-size-of-a-small-business-just-got-more-expensive#r=hpt-fs>

Disclaimer: The applicability and duration of these Acts, regulations and laws are subject to change, and may vary depending on the residential district. Please consult your legal representatives or local rules for the validity of these laws as set forth.

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VENDOR FORUM 2013

Fairfax County's Annual Reverse Trade Show

Thursday, September, 26 2013

8:00am-1:00pm

Fairfax County Government Center

12000 Government Center Parkway, Fairfax, Virginia 22035-0001

FREE ADMISSION

REGISTRATION REQUIRED

For Registration and details visit: <http://www.fairfaxcounty.gov/dpsm/vendorforum>

Presented by the Fairfax County Small Business Commission

Expert Panelists and Presenters Answer Questions on the Following Topics:

- **Doing Business with Fairfax County**—Current and Future Processes
- **The Affordable Care Act**—What it means for small business
- **Small Business Finance**—Lending climate, alternate funding

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